

CITY OF LOS ANGELES

CALIFORNIA

Seleta J. Reynolds
GENERAL MANAGER



ERIC GARCETTI
MAYOR

DEPARTMENT OF TRANSPORTATION
100 South Main Street, 10th Floor
Los Angeles, California 90012
(213) 972-8470
FAX (213) 972-8410

October 28, 2019

Colin Tooze
JUMP Bikes, a wholly owned subsidiary of Uber Technologies
1455 Market St. Floor #4
San Francisco, CA 94103

**Subject: DOCKLESS ON-DEMAND PERSONAL MOBILITY ONE-YEAR PERMIT PROGRAM –
SUSPENSION AND REVOCATION ADMINISTRATIVE PROCESS**

Dear Mr. Tooze,

The Los Angeles Department of Transportation (LADOT) has the authority and responsibility to manage the public right-of-way. To be effective, LADOT requires information about the location and movements of for-profit transportation companies that use our streets and sidewalks. To be certain, safe and effective management of the public streets and sidewalks is necessary to ensure quality of life in the city and to protect the public from injury.

Social Bicycles LLC d/b/a JUMP (Uber) has a permit issued by LADOT to operate dockless scooter and bicycle rentals in the City's public right of way throughout the City's jurisdiction. The Mobility Data Specification (MDS) is an important permit condition, which, in part, obligates Uber to share operational data with the City. Uber has repeatedly refused to comply with this permit condition. As Uber is well aware, all other permitted companies have complied. As indicated in LADOT's letter to Uber dated October 25, 2019, the City can no longer tolerate Uber's failure to comply with its permit and, thus, LADOT is taking steps to enforce Uber's permit.

LADOT's October 25, 2019, letter to Uber stated that Uber's failure to comply with the MDS permit condition by 5 PM today would result in LADOT suspending Uber's permit. As a result of further communications between the parties, that deadline has been delayed until 5 PM tomorrow. If at 5 PM tomorrow, Uber is not complying with the MDS permit condition, this letter shall serve as notice that LADOT will temporarily suspend Uber's permit and Uber will have 10 days either to cease permitted operations or, alternatively, request an administrative hearing with the General Manager in accordance with Los Angeles Municipal Code (LAMC) Section 71.08 et seq.

Administrative Process

A permit can be "suspended" or "revoked."

Depending on the severity of the violation, a suspended permit either allows the operator to continue provisional operation while the administrative enforcement process is ongoing (temporary suspension), or the suspension orders the operator to cease all permitted operations immediately until LADOT lifts the suspension (immediate suspension). LADOT's suspension of Uber's permit would fall into the former category, allowing Uber to provisionally operate for ten days, by which time Uber must cease operations or request an administrative hearing with the General Manager.

A revocation terminates the permit for the remainder of the program year. If a permit is revoked, the operator must cease all permitted operations immediately.

Operators who are ordered to cease operations are required to remove their dockless mobility vehicles from all public rights-of-way within 72 hours of the suspension or revocation, although shorter times for removal may be ordered if the suspension or revocation is limited to a specific section of the City. Dockless mobility vehicles left in the public right-of-way after the 72-hour period are deemed to be abandoned and will be subject to collection and impoundment by the City. As noted in the permit, the operator's bond shall be accessible to the City for costs that may be incurred if an operator fails to remove the vehicles when its permit is suspended or revoked. With respect to permit suspensions and revocations, the City will act on the bond if the City incurs costs resulting from the City's collection, impoundment, and storage of the operator's vehicles. Any impounded vehicles will be held for a minimum of 30 days. The 30-day period is stayed if operator requests an administrative hearing to appeal the permit suspension or revocation.

Operators who have their dockless permits either suspended or revoked have the opportunity to appeal the action to the Los Angeles Board of Transportation Commissioners (Board) for a hearing. Any request for a hearing on a permit suspension or revocation shall be submitted in writing to the Board, stating the grounds for protest. Requests for hearing must be received by the Board within 10 calendar days from the date the operator receives the notice of or revocation suspension (email receipt is sufficient), or the first attempt by the United States Post Office to deliver the notice to the address above, whichever is earlier. Operators that have had their permit "temporarily suspended" may continue to operate during the pendency of the administrative process.

The hearing will be scheduled with the General Manager or her representative. As set forth in LAMC Section 71.09(b), if the operator disagrees with the decision of the General Manager, the operator may appeal that decision to the Board. Any appeal will be scheduled for a public meeting of Board, at which meeting both the LADOT and the operator will have an opportunity to present their arguments to the Board for consideration. The Board will render a decision either upholding or overturning the permit suspension/revocation. If the operator disagrees with the Board's decision, the operator will then have the opportunity to file an action in the Los Angeles Superior Court. Finally, failure of an operator to respond to a notice for a hearing before the General Manager or before the Board is a waiver of the right to a hearing and action may be taken without the operator being present.

Compliance History

Uber applied for the Dockless On-Demand Personal Mobility One-Year Permit Program on February 15, 2019. The application was signed and submitted under penalty of perjury. Uber's application was reviewed by the City for participation in the 2019-2020 pilot year. While the application review was ongoing, LADOT engaged in a series of conversations with operators, including Uber, as well as neighborhood stakeholders, privacy advocacy organizations, and city officials. This included a March 1,

2019 meeting between Uber's Chief Legal Officer Tony West and LADOT's General Manager Seleta Reynolds. The department also provided notice and an opportunity for the public to comment on the program's data collection and privacy policies.

A primary concern of the operators, echoed by Mr. West, and the advocacy organizations was the proposed MDS requirement for operators to share live telemetry data with LADOT while rides were "in-trip." In addition, Uber, and other operators expressed concern about the requirement to provide LADOT's data management contractors with direct token access to the operators' APIs.

Following this process, LADOT agreed to modify the "in-trip" real-time telemetry data sharing requirements by removing the real-time data sharing requirement and, instead, allowing "in-trip" telemetry data to be delivered to LADOT anytime within 24 hours. LADOT also agreed to drop the requirement for third-party token access.

After completion of the application review, LADOT notified Uber that the company's permit was approved and would become effective on April 15, 2019. At that time, Uber was required to be in compliance with all permit rules and regulations. Immediately thereafter, a technical compliance evaluation was conducted using information from April 15, 2019 through July 11, 2019.

In the course of that technical compliance evaluation, LADOT discovered that Uber was not in compliance with the follow MDS requirements:

1. Vehicles must have an associated (with *trip_id*) *trip_start* event posted (*/vehicles/{device_id}/event*) within 5 seconds of a user unlocking the vehicle for use.
2. Vehicles must have an associated (with *trip_id*) *trip_end* event posted (*/vehicles/{device_id}/event*) within 5 seconds of a user ending a trip.
3. Trip telemetry data must be provided via the telemetry endpoint (*/vehicles/telemetry*) during the trip or within 24 hours of trip completion. The telemetry data must include a telemetry measure point at least every 30 meters along the path traveled within the LA city boundary (*/service_areas*).

Uber's compliance performance for those three categories was as follows:

Requirement	Avg. % per day from 4/15/19-7/11/19
1. Vehicle <i>trip_start</i> events within 30s	0.0%
2. Vehicle <i>trip_end</i> events within 30s	0.0%
3. Vehicle in-trip telemetry received with 24hrs	13.0%

Uber was first notified and warned of its non-compliance on May 24, 2019, and in follow up calls on June 26 and July 2. On the June 26 call, the Uber team stated that non-compliance was due to limitations of the company's system from which the data is being pulled and could only be resolved by a technical migration that was to occur "this Summer."

On July 2, 2019, Uber notified LADOT that, even after technical migration, the company would not deliver *trip_start* and *trip_end* events within the required timeframe due to "privacy concerns for their

customers." LADOT staff on the call instructed Uber that, in order to fulfill its mandate to safely and effectively manage the public right-of-way, LADOT requires information about the location and movements of for-profit transportation companies. This data ensures providers are fulfilling their permit regulations and obligations, and more importantly helps the department uphold its duties to keep people safe, relieve congestion, and improve the quality of life for people in Los Angeles.

After continued non-compliance, LADOT issued a letter to Uber on October 8, 2019, stating that LADOT had the right to suspend and revoke permittees who are out of compliance with the Council-adopted rules and regulations and demanding that Uber provide a written response by Wednesday, October 16, 2019, to LADOT with its strategy to come into compliance.

On October 16, 2019, Uber responded via letter, stating that, for specified policy reasons, Uber would not comply with the permit requirements, and Uber requested a meeting to discuss a "compromise" to avoid suspension. Furthermore, the October 16 letter contained an inaccuracy that needed to be corrected for the record. The letter asserted that "LADOT agreed" not to require *trip_start* event and *trip_end* event data to be delivered within 5 seconds of the event occurring as a condition of your permit.

This is incorrect and is not a standard that has ever been specified in the MDS. Following the conversation referenced above with your Chief Legal Officer Tony West, other dockless providers, and multiple privacy advocacy organizations, LADOT agreed to modify the "in-trip" real-time telemetry data sharing requirements by removing the real-time data sharing requirement and, instead, allowing "in-trip" telemetry data to be delivered to LADOT anytime within 24 hours. LADOT also agreed to remove the requirement for third-party token access. These changes notwithstanding, and as clearly specified in the MDS, *trip_start* event and *trip_end* event data must be delivered within 5 seconds of those respective events occurring. Those MDS requirements were repeatedly shared with Uber and all providers over the past year.

To move the process forward, LADOT agreed to a phone call with Uber's team on October 24, 2019. On that call, Uber staff reiterated the company's position that Uber's policies prevented it from meeting the MDS requirements and that Uber wanted the City to amend the MDS requirements to conform to Uber's preferences. City staff on the call responded saying that all dockless on-demand personal mobility providers must comply with the data sharing requirements set forth in the MDS, which have been a clear condition of permit compliance dating back to the start of the one year pilot program, and that Uber was and is the only dockless permit holder operating in the City that was not meeting its data sharing obligations.

Temporary Suspension

Uber's responses to date fail to provide a plan for correcting your company's non-compliance. In this instance, should Uber fail to come into compliance as required, LADOT will temporarily suspend Uber's permit at 5 PM tomorrow. At the time the suspension is issued, Uber may continue to fully operate within the City on a provisional basis. Uber will have 10 calendar days to either accept the suspension and cease operations, or request a hearing on the suspension with the General Manager. **Requests for hearing must be submitted on company letterhead and include a valid original signature from the company's authorized signer. The request shall be mailed to:**

**Los Angeles Department of Transportation
100 S. Main Street
Los Angeles, California 90012
Attention: Jose Elias, Transportation Planning Associate II**

If Uber takes no action within the 10-day period, either to accept the suspension or seek a hearing, Uber will be required immediately, at the end of the 10th day, to cease operations, and, within 72 additional hours, remove its dockless mobility vehicles from all public rights-of-way in the City. Dockless mobility vehicles left in the public right-of-way after the 72-hour period will be deemed to be abandoned and will be subject to collection and impoundment by the City. As noted in the permit, Uber's bond will be called as needed for costs that may be incurred because of Uber's failure to remove its vehicles.

If Uber requests a hearing with the General Manager, Uber will be permitted to continue operations during the pendency of the administrative process. Upon requesting a hearing, Uber shall have the right to respond to LADOT's notice of non-compliance either orally or in writing. As noted above, if the operator disagrees with the final decision of the General Manager, the operator has 10 calendar days from the date of the decision to appeal the suspension to the Board. Should the Board affirm the suspension, Uber will have 72-hours provisional time to cease operations under its suspended permit. Within 72 hours of the deadline for cessation, Uber must also remove their dockless mobility vehicles from all public rights-of-way in the City. Dockless mobility vehicles left in the public right-of-way after that 72-hour period will be deemed to be abandoned and will be subject to collection and impoundment by the City. As noted in the permit, Uber's bond will be called as needed for costs that may be incurred because of Uber's failure to remove its vehicles.

If you have any questions regarding this letter you may contact Jose Elias at (213) 972-4944.

Sincerely,



Marcel Porras
Chief Sustainability Officer
Bureau of Transportation Technology